

Message Text

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ATTN PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: MAY 30 EA PRESS SUMMARY

1. CHINA

NYT'S GWERTZMAN (5/28) REPORTS ADMIN OFFICIALS SAID SAT
THAT BRZEZINSKI AND AIDES GAVE CHINESE UNPRECEDENTED/
DETAILED BRIEFING ON STATUS OF SINO-US STRATEGIC ARMS TALKS,
AND EXPLAINED AT LENGTH CONTENTS OF SOME SECRET WH MEMOS
ON US SECURITY GOALS. GWERTZMAN SAYS ADMIN OFFICIALS,
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PROVIDING 1ST DETAILS OF BRZEZINSKI'S PEKING VISIT, CALLED
DISCUSSIONS FULLEST/MOST EXTENSIVE CONSULTATIONS W/CHINESE
SINCE CONTACTS ESTABLISHED IN '71.

QUOTING TOKYO FON DIPLO SOURCES, ASAHI SHIMBUN REPORTED
5/29 THAT US IS CONSIDERING GIVING PRC ARMS AID IN EXCHANGE
FOR PEKING CONCESSIONS ON TAIWAN ISSUE. PAPER SAID US
FEELER ON MATTER WAS PUT OUT IN PEKING LAST WK BY BRZEZIN-
SKI, WHO REPORTEDLY ALSO TOLD CHINESE LEADERS WHICH WEAPONS
US COULD OFFER CHINA. AP (GLOBE) REPORTS BRZEZINSKI COULD

NOT BE REACHED FOR COMMENT.

PAPERS HEADLINE HUANG HUA'S 5/29 SPEECH TO UNGA SPECIAL DISARMAMENT SESSION, IN WHICH FONMIN PREDICTED US/SOVIETS "ARE BOUND TO FIGHT IT OUT SOME DAY," BLASTED US AND SOVIETS--BUT CALLED MOSCOW GREATER PERIL--AND HINTED AT PRC READINESS TO PLAY ROLE IN DISARMAMENT DISCUSSIONS IF TALKS ON ARMS CURB ARE BROADNED (AP GLOBE, SUN; UPI, NYDN; WSJ, WP, NYT'S TELTSCH).

SUN'S BONN BUREAU REPORTS DEPUTY PM KU IS IN FRG THIS WK TO ATTRACT FURTHER W GERMAN EXPORTS OF COAL/STEEL TECHNOLOGY--AGAIN RAISING SOVIET CONCERN THAT EQUIPMENT COULD BE USED FOR ARMS PRODUCTION.

NYT'S SULLIVAN (5/28) REPORTS PRC IS EMBARKING ON WHAT MAY PROVE MOST AMBITIOUS PROGRAM OF RAPID SCIENTIFIC/TECHNOLOGICAL DEVELOPMENT EVER UNDERTAKEN BY ANY NATION. SAYS TEXTS HAVE BEEN RECEIVED IN US OF PROGRAM OUTLINED IN SERIES OF SPEECHES GIVEN BY CHINA'S LEADERS BEFORE 6,000 WHO ATTENDED PEKING NATL SCIENCE CONF MARCH 18-31.

UPI (JOC MUSCAT) CITES OMAN SULTANATE'S WKEND ANNOUNCEMENT UNCLASSIFIED

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THAT DIPLO RELS HAVE BEEN ESTABLISHED W/PRC; COMMUNIQUE ON ACTION ISSUED SIMULTANEOUSLY IN MUSCAT/PEKING OVER WKEND. UPI SAYS ACTION SEEN AS MOVE BY BOTH COUNTRIES TO COUNTER GROWING SOVIET INFLUENCE AROUND STRATEGIC PERSIAN GULF REGION.

2. CHINA/VIETNAM

COVERAGE EXODUS ETHNIC CHINESE FROM VN HEAVY IN PAPERS. WP'S MATHEWS (HK 5/27) NOTES PEKING HAS EXPANDED ITS VEHEMENT PROPAGANDA CAMPAIGN AGAINST HANOI BY BROADCASTING TV PIX CHINESE REFUGEES STREAMING OUT OF VN/PUBLISHING EYE-WITNESS ACCOUNTS ALLEGED VIET PERSECUTION. SAYS CHINESE LANGUAGE PAPER IN HK ALSO PUBLISHED EAST GERMAN NEWS AGENCY REPORT THAT PEKING HAS DECIDED W/DRAW ITS ECON TECHNICIANS FROM VN/STOP AID PROJECTS THERE. SAYS CHINESE EMB IN HANOI DISTRIBUTED 5/26 TO DIPLO MISSIONS/PRESS AGENCIES OFFICIAL STATEMENTS THAT SAID SITUATION OF CHINESE RESIDENTS IN VN "IS DETERIORATING DAILY."

WP (HK)/SUN (BOTH 5/28) REPORT PRC SENDING FLEET OF SHIPS TO RESCUE VN CHINESE, BUT SAID PEKING DID NOT SAY WHEN RESCUE OPRN TO BEGIN. NYT'S BUTTERFIELD (HK 5/28) QUOTES ANALYSTS WHO ARE PUZZLED BY DEGREE TO WHICH PEKING/HANOI HAVE LET THEIR RELS DETERIORATE/WHO FEAR IT WILL BE DIFFICULT FOR 2 TO BACK DOWN. OPINES SITUATION MORE SERIOUS/POTENTIALLY DAMAGING FOR SRV THAN FOR PRC WHICH, UNTIL NOW,

HELD BACK FROM PUBLICLY AIRING ITS ANGER W/VN OVER CONCERN

THAT HANOI WOULD BE DRIVEN CLOSER TO MOSCOW. SAYS IT
APPEARS PEKING FEELS SRV NOW FULLY COMMITTED TO USSR.

HUNDREDS VIET OFFICIALS ACCUSED CHINA OF SLANDER, ACCORD-
ING VIET NEWS AGENCY BROADCAST 5/28. VOICE OF VN CARRIED
FONMIN STATEMENT URGING REPS OF 2 GOVTS MEET SOON/SETTLE
DIFFERENCES OVER CHINESE (WSTAR HK; GLOBE--BOTH 5/29).
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WP'S MATHEWS (HK 5/29) SAYS THERE WAS NO OFFICIAL CHINESE
RESPONSE TO HANOI'S REQUEST FOR NEGOTS; NOR HAS PEKING
RESPONDED TO REPORTS FROM DIPLOS/EAST GERMAN NEWS AGENCY
THAT IT HAS STOPPED ALL CHINESE AID PROJECTS IN VN.

ALSO 5/29, NYT CARRIED FRONT PAGE PIECE BY BUTTERFIELD
(HK) IN WHICH HE SAYS ACCOUNTS BY CHINESE REFUGEES FLEEING
THEIR HOMES IN VN TEND SUBSTANTIATE CHARGES BY PEKING THAT
HANOI HAS HARASSED THEM/CONFISCATED THEIR PROPERTY/FORCED
MANY "VOLUNTEER" TO MOVE TO NEW ECON ZONES. NOTES, HOW-
EVER, THAT IN INTERVIEWS W/CHINESE REFUGEES REACHING HK/
TAIWAN/THAILAND, MANY GOT CAUGHT IN HANOI'S EFFORT ABOLISH
PRIV BUSINESS/MOVE MIDDLE-CLASS RESIDENTS OUT OF VIET
CITIES. JUDGING FROM STORIES, SAYS SOME VIET OFFICIALS
HAVE TAKEN ADVANTAGE OF NEW CAMPAIGN TO VENT OLD
ANIMOSITIES, SINGLING OUT CHINESE RESIDENTS FOR SPECIAL
PERSECUTION. NOTES WHAT HAS PARTICULARLY DISTURBED HANOI
IS THAT CHINESE IN CHOLON FORMED VIRTUALLY STATE UNTO
THEMSELVES--THEY CONTROLLED RICE TRADE, MUCH OF BLK MRKT,
FON CURRENCY EXCHANGES, IMPORT-EXPORT BUSINESS. SAYS
HANOI BLAMED CHINESE FOR CONTINUED DECLINE IN VIET ECON
SINCE WAR, THO WESTERN VISITORS REPORTED COMMUNISTS'
OWN MISMANAGEMENT/PREVALENCE CORRUPTION AT HEAD OF ECON
SLIDE (ACCOMPANIED BY AP PHOTO CHINESE REFUGEES). IN
SIDE-BAR, NYT SPEC (HK) REPORTS HANOI DENIAL IT HAS MIS-
TREATED ANY CHINESE, INSISTING THAT "OVERWHELMING MAJORITY
OF WORKING PEOPLE" HAD ENTHUSIASTICALLY TAKEN PART IN
PROGRAM TO ABOLISH PRIV BUSINESS.

PRC CONTINUED ITS WAR OF WORDS AGAINST HANOI MONDAY WHILE
STILL OFFERING NO RESPONSE TO VIET OFFER DISCUSS ETHNIC
CHINESE PROBLEM IN PEKING NEXT MONTH. CHINESE PAPERS/
RADIO/TV AGAIN GAVE WIDE COVERAGE TO DENUNCIATIONS BY
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RETURNING REFUGEES, WHO COMPLAINED OF KILLINGS/BEATINGS/
LOOTING BY VIET POLICE/TROOPS (PHINQ PEKING). IN 1ST RE-
PORT OF SHOOTING IN PRC-SRV FUED, CHINESE CHARGED TUES THAT
VIET SOLDIERS OPENED FIRE ON ETHNIC CHINESE TRYING FLEE

VN, WOUNDING 2. NCNA SAID SHOOTING OCCURRED SAT ALONG VN'S NE FRONTIER (AP TOKYO, SUN/BG; WSJ).

NYT'S BUTTERFIELD (HK) QUOTES "NHAN DAN" THAT SRV WANTS PERSEVERE ITS FRIENDSHIP W/PRC. "VIETNAMESE PEOPLE ARE NOT

SO STUPID AS TO SEEK TROUBLE W/CHINA," PAPER SAID. IT DENIED PERSECUTION OF ETHNIC CHINESE/CHARGED PEKING DELIBERATELY DISTORTING DISPUTE FOR NATIONALIST PURPOSES. SAYS VIET FONMIN REPEATED CALL MONDAY FOR TALKS TO CHINESE FONMIN. BUTTERFIELD NOTES THAT WHILE IT APPEARED INDICATE HANOI WOULD LIKE EASE CRISIS, IT WAS NOT BACKING DOWN FROM POSITION THAT IT HAD DONE NOTHING WRONG.

BUTTERFIELD NOTES THAT GROUP AMCITS JUST ARRIVED HK FROM VN SAID THEY HAD SEEN NO EVIDENCE OF PHYSICAL MISTREATMENT OF CHINESE, BUT THAT STREETS OF CHOLON APPEARED HALF-DESERTED W/MANY SHOPS CLOSED/SIDEWALK VENDERS MISSING FROM USUAL SPOTS. REPS OF NATL COUNCIL OF CHURCHES WERE AMONG 1ST WESTERNERS ALLOWED VISIT CITY SINCE CRACKDOWN OF PRIV COMMERCE. THEY DELIVERED 10,000 TONS US WHEAT DONATED BY CHURCH WORLD SERVICE ORGS. MEMBER OF GROUP, CORA WEISS, TOLD REPORTERS THAT SRV EFFORTS REDUCE ECON POWER OF ETHNIC CHINESE IN SVN IS FACTOR IN EXODUS, AS WELL AS BORDER CONFLICT IN WHICH PRC AIDING CAMBODIA (LAWTON, WP BANGKOK; AP BANGKOK, GLOBE--BOTH 5/29).

WP'S MATHEWS (HK) NOTES HK PRO-COMMUNIST PAPERS PREDICT TOTAL EXODUS 300,000 CHINESE REFUGEES. SAYS FACTORS EXPECTED LIMIT CONFLICT--SUCH AS PEKING'S DESIRE KEEP HANOI FROM DEPENDING ON USSR AND HANOI'S DESIRE CONTINUE RECEIVE VITAL CHINESE AID--HAVE HAD LITTLE APPARENT EFFECT UNCLASSIFIED

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SO FAR ON ESCALATING ACCUSATIONS. IF MATTERS WORSEN, WSJ'S KRAMER (HK) QUOTES OBSERVERS THAT 2 COUNTRIES MAY CALL HOME THEIR DIPLOS; THO ARMED HOSTILITIES BETWN THEM NOT SEEN LIKELY.

3. VIETNAM

AFTER MORE THAN 6 YRS OF OFFICIAL DENIALS, CIA HAS VERIFIED THAT AMB BUNKER OFFERED GEN DUONG VAN "BIG" MINH MONEY TO TRY PERSUADE HIM REMAIN IN SAIGON PRESIDENTIAL RACE. DUDMAN (ST LOUIS P-D 5/27) SAYS CIA MEMO, MADE PUBLIC 5/26, "APPARENTLY THRU INADVERTANCE," DISCLOSED THAT BUNKER'S MTG W/GEN MINH WAS TAPE RECORDED/ CONFIRMS BASIC REPORT OF INCIDENT BY FRANK SNEP, IN "DECENT INTERVAL." SNEPP (BEING SUED FOR HAVING VIOLATED CIA SECRECY OATHS) REPORTED BUNKER TRIED "BRIBE" GEN MINH W/3 MIL DOLS TO STAY IN PRESIDENTIAL RACE SO WAR CRITICS COULDN'T SAY THIEU HAD WON RE-ELECTION W/O FIGHT.

FOLLOWING "60 MINUTES" CBS/TV INTERVIEW W/SNEPP LAST NOV, BUNKER DENIED ALLEGED BRIBE; AMEMB SIAGON DENIED REPORT IN '71; BUNKER'S OFFICE REFUSED COMMENT LAST FRI, SINCE MATTER PENDING BEFORE COURT. LAST WK, FEDRL DISTRICT COURT REFUSED MOTION TO DISMISS SUIT AGAINST SNEPP; TRIAL

TO BEGIN 6/20 (MARRO, NYT 5/27; BABCOCK, WP 5/28).

4. INDOCHINA REFUGEES

ACCORDING NYT'S KAMM (5/28), REFUGEES STREAMING OUT OF VN AT HIGHEST RATE SINCE END OF WAR W/MOST LANDING IN THAILAND/MALAYSIA. SAYS 2,325 BOAT PEOPLE LANDED IN MALAYSIA IN APRIL, 835 IN THAILAND. SAYS NUMBER ETHNIC CHINESE INCREASING AS RESULT RECENT NATIONALIZATION SMALL BUSINESSES UNCLASSIFIED

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IN SVN.

5. BURMA

SUN (5/27) RUNS AP PHOTO BURMESE REFUGEE/BABY IN BANGLADESH CAMP. SAYS 140,000 PERSONS, INCLUDING ALMOST 100,000 CHILDREN UNDER 12, HAVE FLED BURMA. CHILDREN SAID BE SUFFERING FROM MALNUTRITION/DIET DEFICIENCIES, AFTER HAVING CROSSED 30-40 MILES OF JUNGLE IN 100-DEGREE WEATHER.

6. PHILIPPINES

IN 5/26 PRESS RELEASE, MARCOS SAID HE DID NOT ANTICIPATE GOING AHEAD W/HIS PROMISE OF PROVINCIAL/MUNICIPAL ELECTIONS IN IMMEDIATE FUTURE. RELEASE SAID PROBLEMS RESULTING FROM APRIL ASSEMBLY ELECTION RAISED DOUBTS ABOUT COUNTRY'S ABILITY ENDURE MORE VOTING. REPORTED, HOWEVER, ASSEMBLY WOULD CONSIDER LOCAL VOTE ISSUE AFTER IT CONVENES 6/12 (REUTER MANILA 5/26).

TWO FILIPINA NURSES ANNOUNCE THEIR LAWYERS STUDYING WHETHER BRING SUIT FOR DAMAGES AGAINST VETERANS' HOSPITAL IN ANN ARBOR, MICH, WHERE THEY WERE ALLEGED TO HAVE MURDERED/POISONED SEVERAL PATIENTS IN '75. LEONORE PEREZ/ FILIPINA NARCISCO LIVING IN MANILA SINCE COURT DROPPED CHARGES AGAINST THEM(REUTER MANILA, WP).

CENTRAL BANK OF PHILIPPINES SIGNS 10-YR 500-MIL-DOL LOAN IN LARGEST SYNDICATED BANK FINANCING TO PHILS. MADE BY 60 BANKS, W/MANUFACTURERS HANOVER TRUST CO ACTING AS AGENT, LOAN BEARS INTEREST AT 1 PCT--MOST FAVORABLE TERMS EVER ARRANGED FOR PHILS, ACCORDING CENTRAL BANK GOV (WSJ).

7. INDONESIA/MALAYSIA

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WORLD BANK AUTHORIZES 2 LOANS TOTALLING 171 MIL DOLS FOR IRRIGATION PROJECTS IN CENTRAL/W JAVA AND SUMA,,A. LOANS EXPECTED INCREASE INDO'S FOOD-GRAIN PRODUCTION MORE THAN 335,000 TONS/YR. ALSO APPROVES 13 MIL DOLS IN CREDITS

FOR PORT/CARGO-HANDLING FACILITIES AT TAWAU/KOTA KINABALU/SANDAKAN, MALAYSIA (WSJ; JOC).

8. JAPAN

CHAPMAN (WP TOKYO, 5/28) REPORTS GOJ'S RECENT PURCHASE 8 F-15 FIGHTERS FROM US HAS SPARKED DEBATE OVER JAPAN'S DEFENSE POLICIES/CHARGES THAT GOVT SLOWLY MOVING INTO FIELD OF OFFENSIVE WEAPONS. DEBATE SEEN AS RESULT CONFLUENCE OF SEVERAL ISSUES--INCL POPULAR PERCEPTION US UNINTERESTED IN ASIA/WOULD NOT DEFEND JAPAN IN CRISIS. GROWING EMPHASIS ON MILITARY ALSO SEEN DUE INCREASED FEAR SOVIET EXPANSION.

FUKUDA PLANS VISIT MIDEAST-INCL EGYPT/SAUDI ARABIA/KUWAIT/IRAN--NEXT SEPT (REUTER TOKYO 5/26).

TREASURY TENTATIVELY DETERMINES JAPANESE IMPORTS STEEL WIRE STRAND BEING DUMPED ON US MARKET (WSJ).

JAPAN/US/USSR ENDED TOKYO TALKS 5/26 W/AGREEMENT TO SEEK DELIVERIES SIBERIAN NATURAL GAS BY 1985. PLAN ENVISAGES ANNUAL SUPPLY 8 MIL TONS LNG EACH TO JAPAN/US OVER NEXT 25 YRS IN RETURN FOR US/JAPANESE HELP IN DEVELOPING YAKUTSK GASFIELDS (REUTER TOKYO 5/26; CULLISON, JOC TOKYO).

HUNDREDS JAPANESE WOMEN, REPRESENTING COALITION UNCLASSIFIED

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PACIFIST/FEMINIST GROUPS, RALLIED AT NY'S STUYVESANT PARK 5/28, CALLED FOR "END TO HIROSHIMAS." GROUP TO PRESENT UN SEC GEN WALDHEIM W/PETITION,SIGNED BY 20,000 JAPANESE, CALLING FOR IMMEDIATE WORLD DISARMAMENT (NYT 5/29).

JAPAN'S FUJISASH INDUSTRIES HAVE DISCLOSED THAT FIRM HAS ISSUED 190-MIL-DOLS WORTH FALSIFIED FINANCIAL STATEMENTS OVER PAST FEW YRS IN ORDER COVER UP BURGEONING LOSSES (WSJ).

JAPAN'S EXTERNAL ASSETS ACCRUING FROM OVERSEAS

TRANSACTIONS NEARLY DOUBLED TO TOTAL 80-BIL-DOLS IN CALENDAR '77. W/LIABILITIES AMOUNTING TO 58 BIL DOLS, JAPAN'S ASSETS ABROAD REACHED RECORD HIGH 22 BIL DOLS (CULLISON).

LONG-TERM CREDIT BANK OF JAPAN PREDICTS INVESTMENTS IN PRIVATE PLANT/EQUIPMENT PROGRAMS IN JAPAN WILL INCREASE 8-10 PCT ANNUALLY OVER NEXT 8 YRS (CULLISON).

REUTER (NARITA 5/26) REPORTS LOCAL RESIDENTS COMPLAINING THAT AIRPORT HAS UNUSUALLY HIGH RATE NOISE POLLUTION.

AIRPORT AUTHORITIES TO RUN TESTS IN ORDER DISCOVER WHETHER COMPLAINTS JUSTIFIED.

TIME-LIFE'S IWAMA (WSTAR TOKYO 5/29) DOES ITEM ON NARITA AIRPORT. REMARKS JAPANESE AUTHORITIES HOPE RADICAL ACTIVITY AGAINST FACILITY WILL FADE OUT EVENTUALLY. BUT POLICE NOTE RADICALS DON'T HAVE ANOTHER CAUSE YET/WILL CONTINUE MINOR ATTACKS. IN MEANTIME, GOJ HAS VOWED STEP UP EFFORTS PLACATE FARMERS/RESOLVE DIFFERENCES BETWEEN THEM.

CSM'S NORDELL (NARITA) OFFERS IMPRESSIONS NEW AIRPORT. UNCLASSIFIED

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COMMENTS CHIEFLY ON TIGHT SECURITY/FINDS "NO ONE WAS SLIPPING THROUGH THE WRONG WAY ANYWHERE."

9. JAPAN/AUSTRALIA

SIX MAJOR JAPANESE STEELMAKERS HAVE REACHED BASIC AGREEMENT TO IMPORT 7.2 BILLION TONS IRON ORE/4.6 MILLION TONS IRON PELLETS FROM CLIFFS WESTERN AUSTRALIA MINING CO DURING FY '78 (WSJ).

10. JAPAN/CHINA

TWO OSAKA-BASED FIRMS HAVE RECEIVED 31-MIL-DOL ORDER TO BUILD MAN-MADE LEATHER PLANT FOR CHINA NATL TECHNICAL IMPORT CO (UPI, JOC).

FON MINISTRY SAYS GOJ HAS FORMALLY DECIDED RESUME NEGOTS W/PRC ON PEACE/FRIENDSHIP TREATY (AP, NYT 5/27).

11. KOREA

NYT (SEOUL) CITES CONTINUED KOREAN PROTEST OVER US TROOP W/DRAWAL-DESPITE ASSURANCES FROM BRZEZINSKI. QUOTES FORMER DEP PM PARK THAT ONCE FORCES W/DRAWN, NK "WILL BE TEMPTED TO ATTACK...BRZEZINSKI IS NOT A

BETTER JUDGE THAN OUR GENERALS FACING THE NORTH."
ACCORDING SKOREAN MILITARY EXPERT, W/DRAWAL US
TROOPS WILL AUTOMATICALLY MEAN SK'S "POLITICAL
ISOLATION." COMPARING KIM IL SUNG TO UGANDA'S IDI
AMIN, STUDENT OF NK REMARKED, "AMIN PALES BESIDE
HIM."

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MALCOLM (NYT SEOUL 5/28) REPORTS NK/SK COMPETING
FIERCELY FOR BUSINESS/CULTURAL/POL LINKS W/OTHER
COUNTRIES. FINDS VICTORIES/DEFEATS--MEASURED IN
TERMS OF TRADE TIES/BUSINESS CONTRACTS/NEW EMBS--

EITHER HIGHLY TOUTED OR BEMOANED IN BOTH KOREAS.
SAYS DIPLOMATS SEE KOREAN EFFORTS TELL WORLD ABOUT
THEMSELVES AS REFLECTION OF LONG-DELAYED BUT GROWING
NATL ASSERTIVENESS/AS END TO TRADITIONAL ISOLATION
POLICY ON KOREAN PENINSULA.

SUN'S MARTIN (SEOUL) CITES CHRISTIAN MISSION GROUPS'
COMPLAINT THAT THEY HAVE BEEN TARGETED FOR STEPPED-
UP REPRESSIVE MEASURES BY ROKG, LARGELY DUE THEIR
WORK ON BEHALF EXPLOITED FACTORY WORKERS. CHARGE
GOVT HAS, AMONG OTHER ACTIONS, DISRUPTED LEGAL
CHRISTIAN RALLY/BLACKLISTED SOME GROUP MEMBERS FROM
EMPLOYMENT/INTIMIDATED FOREIGNERS WHO SOUGHT CONTACT
W/MISSION.

SK EMB SPOKESMAN 5/26 LABELED AS FALSE ANY IMPLICATION
THAT KIM DONG JO CABLED SEOUL THAT HE WAS DISTRIBUTING
CASH TO US CONGRESSMEN. SAID NO SUCH CABLES EXISTED,
AND THEREFORE ALLEGATIONS AGAINST KIM FALSE. MEANWHILE,
NY REP CAPUTO TRIED CLARIFY REMARKS MADE TO REPORTERS
THURS, IN WHICH HE CLAIMED HOUSE INVESTIGATORS
POSSESSED THESE INCRIMINATING CABLES. CAPUTO SAID
HE HAD NOT SEEN THEM PERSONALLY/ADMITTED HE WAS
SPECULATING WHEN HE STATED CABLES INTERCEPTED/DECODED
BY NSA (AP WP, SUN; SARRO, WSTAR--BOTH 5/27).

GROVER CONNELL--PRES NJ-BASED RICE/SUGAR CO--INDICTED
BY FEDRL GRAND JURY 5/27 ON CHARGES OF DEFRAUDING US
IN CONNECTION W/OVERSEAS RICE SALES/LYING ABOUT IT
TO GRAND JURY INVESTIGATING KOREAN INFLUENCE-BUYING.
INDICTMENT CHARGES CONNELL USED TONGSUN PARK AS
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INTERMEDIARY FOR RICE DEALINGS W/ROK, THEN COVERED
UP RELATIONSHIP BY MAKING PAYMENTS TO SKOREAN FIRM
THAT WERE ACTUALLY GOING TO PARK (ROBINSON, WP 5/28;

UPI, NYT 5/27).

UNC REJECTS NK'S DEMAND THAT SK IMMEDIATELY RELEASE
8 MEN CAPTURED LAST WK AFTER THEIR BOAT SUNK BY
SKOREAN NAVAL VESSELS. ROKG SAID BOAT SPYING OFF
SK/OPENED FIRE ON SKOREAN PATROL BOATS (WP 5/28).

SK INCREASING SCHEDULED LOAN FROM FON BANKS--FROM
300 MIL DOLS TO 500 MIL DOLS--AFTER BEING SWAMPED BY
LENDERS WILLING TAKE PART IN CREDIT. KOREA DEVELOPMENT
BANK/KOREA EXCHANGE BANK WILL USE MAJORITY FUNDS FOR
RELENDING IN SK (WSJ).

COMMENT AND ANALYSIS

12. JAPAN

PHINQ EDIT URGE US SELL ALASKAN OIL TO JAPAN, SAYING IT
SERVES US INTERESTS AS WELL AS JAPAN'S. BELIEVES MOVE
WOULD NOT UNDERCUT ADMIN'S CONTENTION OF ENERGY CRISIS,
BUT WOULD DEMONSTRATE CRISIS NOT LIMITED ONLY TO US.
SUGGESTS ADMIN--INSTEAD OF FEARING THAT AMERICANS CANNOT
UNDERSTAND RATIONALE BEHIND SUCH ACTION--LEVEL W/THEM
ABOUT WHAT REALITIES BEHIND PROPOSED SALES ARE.

13. KOREA

NYT'S HALLORAN REVIEWS RECENT MOVES DESIGNED RENEW EFFORTS
INTO KOREAN INFLUENCE-BUYING INVESTIGATION. ON QUESTION
OF SECURING KIM DONG JO'S TESTIMONY, SAYS SK REJECTS IDEA
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BECAUSE (1) IT MIGHT PROVIDE FURTHER EVIDENCE THAT SEOUL
CONSPIRED IN BRIBERY; (2) CONCEDED TO US PRESSURE WOULD
HURT KOREANS' PRESTIGE; (3) PRES PARK CANNOT AFFORD RISK
ANY ADMISSION OF ATTEMPTED BRIBERY BY KIM, AS IT WOULD
GIVE HIS OPPONENTS OPPORTUNITY EMBARRASS HIM IN ELECTION
YR.

14. CHINA

AMONG OTHER DEVELOPMENTS WHICH "SHOULD BE NOTED," IF ONLY
TO COUNTERACT ANY IMPRESSION "RUSSIANS ARE COMING" AND
THAT US "SIMPLY CANNOT COPE," WP FEELS BRZEZINSKI'S PRC
TRIP SEEMS TO HAVE PRODUCED MEASURE OF CONSULTATION/UNDER-
STANDING WELL SUITED TO REMINDED RUSSIANS THAT US IS NOT
W/O FRIENDS IN ITS EFFORTS TO INDUCE SOVIET RESTRAINT.

ON SUN OPED (5/28), STANFORD U'S RBT WESSON (5/28)
ADVOCATES US ARMS SALES TO PRC. SAYS THERE MAY BE
REASONS FOR CAUTION ON THIS, BUT "SYNTHETIC SOVIET ANGER
IS NOT ONE OF THEM."

IN HK, CSM'S MORITZ SEES PRC EMBARKED ON "OUTSPOKEN
NEW FOREIGN POLICY OF WHAT SOME ANALYSTS CALL 'BRINKMAN-
SHIP.'" SAYS NEW POLICY APPEARS INVOLVE DELIBERATELY
TURNING UP TENSIONS/ACTIVELY CONFRONTING NATIONS W/WHICH
PEKING DISAGREES. CITES EXAMPLES OF GROWING SINO-VN
CONFRONTATION, RISING CHINESE DISPUTE W/SOVIETS, CHINA'S
ENTRY INTO JAPANESE-CLAIMED WATERS AROUND SENKAKUS. SAYS
MORE VIGOROUS/AGGRESSIVE STRATEGY NOW FAVORED BY PEKING
SEEMS REFLECT GROWING SELF-CONFIDENCE ON PART OF TENG AND
OTHER LEADERS. SEES CONTINUING LONG-TERM QUESTION:
WILL PRC'S NEW TACTIC OF SELECTIVELY RAISING TENSIONS W/

NEIGHBORS INCREASE ITS INFLUENCE IN ASIA OR WILL IT BACK-
FIRE BY PRODUCING SENSE OF ALARM?

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WP'S MATHEWS (HK) CONTENDS THAT TENG APPEARS TO HAVE BEEN
PRC'S MOST IMPORTANT POLICY-MAKER OVER LAST YR. NOTES
5/4 "PD" INCLUDES ARTICLE ("UNCLE TENG HSIAO-PING IS
COMING"), ACTUALLY WRITTEN IN '64 BY FOURTH-YR PUPIL AT
CHINGSHAN PRIMARY SCHOOL, WHO TELLS OF SEEING TENG AT
MAY DAY CELEBRATION THAT YR--WHEN TENG WAS ALREADY AMONG
TOP HALF-DOZEN LEADERS IN CHINA AND HUA WAS VIRTUALLY
UNKNOWN HUNAN BUREAUCRAT. AS EXAMPLE OTHER TENG "CULT
BUILDING," MATHEWS CITES FRONT-PG FRI "PD" PHOTO--WHICH
WAS SUPPOSED TO ILLUSTRATE STORY OF HUA'S RETURN FROM NK
TRIP--BUT WHICH SHOWED TENG IN MIDDLE, W/HUA/YEH CHIEN-
YING STANDING ON EITHER SIDE, LISTENING TO TENG
RESPECTFULLY.

REPORT FROM PRC THAT LARGE VOLUMES OF EVIL-SMELLING GAS
ESCAPED FROM EARTH BEFORE '75 LIAONING PROVINCE MAJOR
EARTHQUAKE SEEMS TO CORNELL U'S DR THOMAS GOLD TO SUPPORT
HIS THESIS THAT EARTH CONTAINS ENOUGH METHANE GAS TO
PROVIDE ENERGY FOR INDEFINITE FUTURE (NYT'S SULLIVAN,
5/29). VANCE

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Concepts: PRESS SUMMARIES, SALT (ARMS CONTROL), MEETINGS
Control Number: n/a
Copy: SINGLE
Draft Date: 30 may 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE136311
Document Source: ADS
Document Unique ID: 00
Drafter: EA/P:STAFF:VDC
Enclosure: n/a
Executive Order: N/A
Errors: n/a
Expiration:
Film Number: D780226-0462
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t197805112/baaaeytm.tel
Line Count: 530
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, TEXT ON MICROFILM
Message ID: 377c3895-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 10
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2540754
Secure: OPEN
Status: NATIVE
Subject: MAY 30 EA PRESS SUMMARY
TAGS: SOPN, XC, CH, UR, US, (BRZEZINSKI)
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS MOSCOW MULTIPLE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/377c3895-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014